

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6700**

**BILL NUMBER:** SB 251

**NOTE PREPARED:** Jan 31, 2006

**BILL AMENDED:** Jan 30, 2006

**SUBJECT:** Motor Carrier Enforcement.

**FIRST AUTHOR:** Sen. Weatherwax

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill has the following provisions:

*Prepayment Rate:* This bill provides that the prepayment rate used in determining prepayment amounts of sales tax on certain wholesale sales of gasoline may not exceed 125% of the prepayment rate in effect on the day before the prepayment rate is redetermined by the Department of State Revenue.

*Reporting:* The bill requires Gasoline Tax reports and Special Fuel Tax reports and Gasoline Tax returns filed with the Department of State Revenue to be filed in an electronic format.

*Proportional Use Credit:* It requires a motor carrier to file a claim for a proportional use credit for a calendar quarter on or before the due date of the motor carrier's quarterly motor fuel tax return.

*Suspension and Revocation:* It allows the Department to deny the issuance of or to suspend or revoke certain registrations, permits, or certificates of authority if the owner or operator of a commercial motor vehicle does not file all tax returns or reports or pay all taxes, penalties, and interest for a listed tax.

*Civil Penalties:* It provides civil penalties for a motor carrier operating without required credentials or operating with altered credentials.

*Impound Vehicles:* The bill specifies conditions under which the Department or the State Police Department may impound a motor vehicle of a motor carrier that is not authorized to transport passengers for hire.

*Fee Increase:* It increases the application fees paid to the Department's Motor Carrier Services Division.

*Registration Requirements for Nonhazardous Property:* It specifies that certain registration requirements do not apply to a person exclusively engaged in the private transportation of nonhazardous property.

*Compliance with Federal Regulations:* It provides that the Department may not register or title a motor carrier if the motor carrier fails to comply with certain federal regulations or the motor carrier's authority to operate has been terminated or denied by a federal agency.

*Oversize and Overweight Vehicles:* It specifies certain penalties for motor carriers that violate the permitting provisions for oversize and overweight vehicles.

*IRP Payment:* It specifies due dates for payments under the International Registration Plan (IRP).

**Effective Date:** July 1, 2006.

**Explanation of State Expenditures:** *Prepayment Rate:* It is anticipated that the State Department of Revenue can implement this provision with existing staff and resources.

*Reporting:* Requiring Gasoline Tax reports and Special Fuel Tax reports to be filed in an electronic format will have no impact on the Department, as they receive other tax reports in the same manner. The fund affected is the state General Fund.

*Proportional Use Credit.* Specifying the credit filing deadline will enable the Department to close the quarter in a timely manner and allow DOR to calculate the percentages allowed for all claims.

*(Revised) Impound Vehicles:* The bill specifies conditions under which the Department or the State Police Department may impound a motor vehicle of a motor carrier that is not authorized to transport passengers for hire. This technically expands the role of the SPD, but it is very likely that this provision will not add any measurable expenditures to their operation. The funds affected are the state General Fund, the Motor Vehicle Highway Account (MVHA), and the Motor Carrier Regulation Fund (MCRF), all of which support the operation of the SPD.

*Registration Requirements for Nonhazardous Property:* This clarifies that private carriers hauling hazardous materials must comply with the federal provisions incorporated into Indiana law requiring a United States Department of Transportation (USDOT) number. This provision will have no fiscal impact.

*Compliance with Federal Regulations:* This provision brings the Department into compliance with federal regulations and will have no fiscal impact.

**Explanation of State Revenues:** *Sales Tax on Gasoline Prepayment Rate:* This bill changes the calculation of the prepayment rate for Sales Tax on gasoline. It is estimated that this provision of the bill will slightly decrease revenue from interest on Sales Tax collections. The bill says that the prepayment rate that is determined by the Department of State Revenue (DOR) may not increase by more than 25% in any 6-month period. This provision will not result in a loss of actual Sales Tax collections, but will change the timing of remittance of the Sales Tax owed on gasoline. The loss in revenue will be as a result of lost interest on the Sales Tax collections that would have been prepaid under current law. The exact amount of the loss is indeterminable.

*Suspension and Revocation:* This provision may result in the collection of additional taxes, penalties, and interest. This provision may affect several funds, such as the state General Fund, the MVHA, and the MCRF.

*Civil Penalties:* This provision will mean additional revenue accruing to the MCRF. The amount of the fines range from \$500 to \$5,000, depending upon the specific violation and the number of times the violation occurred.

*Impound Vehicles:* This may result in the collection of additional revenue. The fund affected is the MCRF.

*Fee Increase:* Increasing the application fees will result in additional revenue accruing to the MCRF. Two of the fees collected are increased to \$100 from \$50, while the two publication fees are increased from \$20 to \$80. Revenue accruing from Motor Carrier Fees has averaged \$2.24 M per year over the last five fiscal years. In FY 2005, there were 55 new applications. If each applicant had been subjected to each of the increased fees, the total additional revenue would have been \$8,800 ( $55 \times \$160 = \$8,800$ ).

*Oversize and Overweight Vehicles:* This will mean a revenue increase for the MCRF of an indeterminable amount and will depend upon the number of violations which occur. The new civil penalties range in amount from \$500 to \$5,000 per violation.

*IRP Payment:* This will allow the Department to impose penalties and interest in accordance with IC 6-8.1-10, which provides for the assessment of interest and penalties. This may result in additional revenue for the Department. The fund affected is the MVHA into which IRP revenue is deposited.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of State Revenue; State Police.

**Local Agencies Affected:**

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